

INAUGURAL ADDRESS

BY

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ON THE OCCASION OF

**AWARENESS WORKSHOP FOR
HCFC PHASE-OUT MANAGEMENT PLAN (HPMP)
(RAC MANUFACTURING SECTOR)
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DELHI

At the outset, I would like to extend my heartiest warm welcome to all of you for participating in the HPMP Awareness Workshop on Refrigeration and Air-Conditioning (RAC) Manufacturing Sector. I would also like to thank the Refrigeration and Air-Conditioning Manufacturers' Association (RAMA) for inviting me this evening for the inaugurating this workshop and taking up the work of preparation of strategy for phasing out HCFCs in Manufacturing of RAC equipment and appliances.

Ladies & Gentlemen, as we are all aware, the Montreal Protocol is the most successful Multilateral Environmental Agreement (MEA). This Protocol has been universally ratified. The year 2010 is unique in the Montreal Protocol regime, where first day of the year has achieved an important landmark when the production and consumption of non-exempted CFCs, CTC and halons have been phased out globally.

It is heartening to note that the Montreal Protocol has not only protected the stratospheric ozone but it has also immensely benefitted the climate system. The ODSs are potent Green House Gases (GHG) and these gases were not included in Kyoto basket of gases for emission controls. As per expert estimates, by 2010, the Montreal Protocol would reduce GHG emissions by 11 Giga tonnes CO₂ equivalent per year

through its ODS phase-out activities which amounts to 5-6 times reductions targeted by the Kyoto Protocol during first commitment period of 2008-2012.

As you may be aware India became a Party to the Vienna Convention for the protection of Ozone Layer on 19th June 1991 and the Montreal Protocol on Substances that Deplete the Ozone Layer on 17th September 1992. A detailed country program for phase-out of Ozone Depleting Substances (ODSs) was prepared in 1993 to ensure the phase-out of the ODSs according to the National Industry Development Strategy (1991), without undue burden to the consumers and the industry and for accessing the Protocol's financial mechanism in accordance with the requirements stipulated in the Montreal Protocol. The country program was updated in 2006 and is under implementation.

I am pleased to mention that over the past 17 years, since India ratified the Montreal Protocol, the Ozone Cell, Ministry of Environment and Forests (MoEF) has undertaken several policies and measures to facilitate implementation of the Protocol. The actions primarily include policies and regulatory actions including fiscal incentives to accelerate ODS phase-out, creating awareness among the stakeholders, training and capacity building and information exchange on ODS phase-out. These actions have resulted in successful implementation of all the individual projects and multiyear projects in various sectors like aerosol, RAC, foam, halon and solvent. It is worth noticing that our industry participated actively in this challenging endeavor.

India also took a proactive step to accelerate the phase-out of production of CFCs except use in Metered Dose Inhalers (MDIs) from 1st August 2008, 17 months prior to the agreed phase-out schedule of the Montreal Protocol. This smoothly followed the phase-out of consumption of CFCs in the country except use in manufacturing of MDIs which are essential drugs for inhaler therapy for the asthma and COPD patients.

Recognizing the significant benefits for protection of the ozone layer and climate systems by early phase-out of HCFCs, the Meeting of the Parties to the Montreal Protocol held in September 2007 adopted a decision to accelerated the phase-out of HCFCs by ten years and defined a HCFC production and consumption reduction schedule. A unique feature of this decision was to achieve this phase-out through adoption of alternatives with minimum GHG impact. The acceleration of phase-out of HCFCs will reduce about 12-15 Giga tons of CO₂ equivalent emissions.

The transition from HCFCs to environment-friendly alternatives is a challenging task, particularly for a developing country like India, which needs to achieve its development goals in an environmentally sustainable manner. India has therefore taken early initiatives for responding to these challenges and developed a Roadmap for HCFC Phase-out which delineates our long term vision and action plan for phasing out production and consumption of HCFCs. The Roadmap was launched by Hon'ble Minister of State for Environment and Forests, Shri Jairam Ramesh in October 2009.

The 56th meeting of the Executive Committee (Ex-Com) for the Implementation of the Montreal Protocol has also approved the preparation of HCFC Phase-out Management Plan (HPMP) for achieving the phase-out targets of Stage-I. The Ozone Cell, MoEF encouraged the preparation of HPMP in close cooperation of industry, industry associations and other stakeholders. A Sectoral Working Groups Meeting was organized in September, 2009. A Memorandum of Agreement (MOA) was signed between Ozone Cell and RAMA to carry out the preparation of strategy for phasing out of HCFCs in RAC Manufacturing in India. I understand the data collection and strategy preparation is in advance stage enabling finalization of HPMP and India will be submitting the HPMP to the 62nd Ex-Com.

As we all know that use of RAC is increasing in the country as well as globally. It is mainly because there is a growing economy especially in developing countries like India and China and adverse climatic conditions. I understand, there is a good growth

in RAC manufacturing industry. The growth rate may be in the order of 15 to 20% in the past five years and I hope this growth will continue in future years.

The RAC is one of the sectors which not only uses the refrigerants for manufacturing of new equipment but also uses for servicing of existing equipment during its useful life. I understand, India manufactures various types of RAC equipment starting from small units to large central plants which uses HCFC-22. The room air-conditioners is one of the major sub-sectors consuming large quantities of HCFC-22 and this sector is still growing.

Recently, Technology and Economic Assessment Panels (TEAP) has reported that HFCs are the main alternative technologies to replace HCFCs especially for HCFC-22 for various applications. Although, there are a number of low-Global Warming Potential (GWP) alternatives like ammonia, carbon-dioxide and hydrocarbons are also applied in certain applications.

HFCs being the potent Green House Gases (GHGs) efforts are being made to look for low-GWP next generation refrigerants. It has been reported that the low-GWP refrigerants like HFC-1234yf and its blends are being investigated.

I am pleased to share the recent developments, some of the countries proposed amendments to the Montreal Protocol to bring the gradual phase down of HFCs under the ambit of the Montreal Protocol. One such proposal was jointly submitted by Canada, Mexico and United States of America and another by Federated States of Micronesia. Both these proposals were to phase-down the production and consumption of HFCs in Article 5 Parties and non-Article 5 Parties with a certain grace-period.

India made continued interventions during the 29th Open Ended Working Group (OEWG), 21st Meeting of the Parties (MOP) and 30th OEWG to oppose the proposed amendments highlighting the legal, policy and technical issues in bringing the phase-down of HFCs under the ambit of the Montreal Protocol.

Further, India clearly mentioned that the Vienna Convention and the Montreal Protocol are to protect the ozone layer. Therefore, it may not be appropriate for the Montreal Protocol formed under the Vienna Convention to deal with GHGs which are specifically covered under the Kyoto Protocol formed under the UNFCCC unless it can also be demonstrated that the GHGs listed under Kyoto Protocol can modify the ozone layer.

The 22nd MOP will still discuss the proposed amendments. India will make all efforts to see that the Montreal Protocol continue to address the phase-out of production and consumption of ODSs and save the ozone layer as well as climate system.

Ladies & Gentlemen, India is one of the major producers and consumers of HCFC-22 and there is a substantial growth in RAC manufacturing sector. I take this opportunity to congratulate the RAC industry and its associations RAMA, AIACRA and ISHRAE for their excellent performance. The consumption data for 2009 and 2010 is utmost important as the average of these two years will form the baseline. I hope we will have a reasonably good baseline for HCFC consumption sector. I encourage the industry to provide all help and support to the surveyors and the RAMA in data collection and formulating the strategy.

I wish all the successful deliberations today.

Thank you.